

# NEW-YORK DAILY TRIBUNE, TUESDAY, FEBRUARY 25, 1862.

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## FROM WASHINGTON.

### Taking Bank Notes.

Correspondence of the N. Y. Tribune.

WASHINGTON, Feb. 21, 1862.

The Tribune deprecated the making of notes issued by the United States legal tender, and thus inaugurating a shambler era of indefinite duration, sure to end in the wreck of public and of private credit. But there is another of the financial experiments born of our necessities, which will go far to atone for any mistakes, short of the grand one of constituting an irredeemable paper currency. The present crisis, which will give consistency and regularity to our national character and institutions, will, without much doubt, free us from the disordered, incongruous, and constantly varying currency with which the country has been cursed heretofore. The scheme proposed by Secretary Chase of having the circulation of all banks predicated upon deposits in the Treasury of United States securities is now an assured success.

The utility and necessity of a mixed circulation has been fully demonstrated and universally conceded. To a trading community, a purely paper or a purely metallic system is equally fatal. Under the paper system the standard of value is unsettled by diminution, and there is an utter destruction of the most powerful element of confidence—confidence in money transactions. The metallic system is hostile to commerce by its intolerable inconveniences, and its constant tendency to accumulate wealth in the hands of a few—thus lessening the range of circulation, and drawing wealth into large masses. Paper and specie must circulate together, diffusing wealth without altering the standard of value.

The use of paper money is, but a modification of the standard by the military law, has not seen it to stop us alone, which grow into more outrageous proportions with every succeeding day. On the contrary, emboldened by the perfect impunity so long enjoyed, and rendered by the voice of indignation ringing through the German press louder every day, he went to work to crush out of the division, by force, the growing sentiment. During the last fortnight, he has put under arrest four of the officers (among them the Lieutenant-Colonel, Chaplain, and senior Captain) of the only regiment (Col. Schimmeleing's) whose officers to a man refused to sign the address trying to shield Gen. Bleeker and his discredited financial system from investigation; besides these, he had at the same time a number of officers of various regiments arrested, among them Colonels, Lieutenants, and Captains. He went even so far in his illegal proceedings as to possess himself of the private papers of one of the Colonels arrested (Col. Utecy), who has lately been an intimate associate of Gen. Bleeker. It appears the two got into a quarrel, and the General found it advisable to confine the Colonel's correspondence and other papers.

These arrests were made on various pretences; such, for instance, as the expression that Gen. Bleeker was not equal to be a great general, &c., and their object will be understood when it is taken into consideration that a new confidence address has lately been proposed at the headquarters, to be generally signed by the officers of the division, and intended to help the confirmation of Col. Bleeker as a General by the United States Senate; but many of the officers openly declared that they would not follow the discreditable example set by those who had signed the first address.

This state of affairs, from the rising of the *Sieg*, other taxes, as stated three months ago in *The Tribune*, down to the late wholesale arrests, the system of illegal extortions from the soldiers of the division, as well as the hatred of our republican institutions with which Gen. Bleeker's bodyguard of noblemen are pervaded, the feeling among the soldiers and most of the officers of the division; all this, I say, can be no secret to Gen. McClellan, Gen. Bleeker's superior officer. At least the assumption that all this could pass under his very eyes without being noticed by him, would be seriously putting in question his fitness for the position of a military commander. Surely such an assumption cannot rationally be entertained in view of the severity the abuses complained of have staled in the camps of the Potowmack, in Washington, and in the public press of the country.

I have no hesitation in saying that the neglect to have the proceedings of Gen. Bleeker investigated by a court-martial, at least as long as three months ago, when the charges against him first appeared, is calculated to increase the suspicion which has lately gained ground among the German element of the country—that is to say, is somewhere a secret purpose in shielding him from the just punishment demanded by his own countrymen—the purpose to systematically denounce the German division through his agency, and to make it the very means by which to discredit and disgrace the German element out of the country.

We tried the scheme of delegating the power to a great national corporation, but we found it dangerous not merely to our financial prosperity, but to our political safety. Then we had recourse to the Sub-Treasury, and left the paper circulation to be regulated by the several States.

The consequence is, that we have as many banking systems as there are States, and some 1,800 different institutions which issue paper for circulation. The fault of our first plan was that it conferred a gigantic, irresponsible power upon a selfish corporation whose interests were not, and could not be made, identical with the interests of the people.

The second was utterly impotent for any good, and left the whole matter to take care of itself, which it has done to the great injury of every common interest. The scheme of Mr. Chase has the advantages of both without the irresponsible power of the one or the impotent qualities of the other. It will drive out the worthless trash which has circulated heretofore in more than half the States; it will give to the whole country a uniform currency based on specie; it will equalize exchanges, and prevent those violent movements of the precious metals which have produced such perturbations in trade; and it will accomplish all this while, according to the whole people what they have never had before—a perfect security in all the instruments of exchange.

No power of paramount is conferred upon the Government, no monopoly is created by the assumption of the power of regulating the paper circulation any more than in the exercise of the same power with regard to the specie circulation. The Government furnishes to all associations, alike, a guaranteed medium to the amount, within certain limits, which they see fit to purchase, and the several associations, so long as they continue to redeem the notes in specie, receive the interest on the bonds or on their circulation is predicated.

The existing circulation will be gradually withdrawn, under the influence of a tax which will be imposed upon it without serious disturbance. The new plan will interfere to check the hasty operations of no class of the community; its power will thwart none; but it will silently promote fruitful undertakings.

The plan has been conceived in good time. There will be more urgent necessity of a great national system of currency in the future than in the past, and lack of it would produce more serious evils. The disbursements of the Government will be on account of payments on the debt, mainly at the centers of the moneyed interest of the country, and remote sections, more than ever, at the mercy of the originators of a shambler, wildcat currency. Not only will relief from this most unrighteous system of swindling be afforded, but the people will be relieved from the insatiable burden of nearly \$300,000,000, probably \$350,000,000, of the public debt, which will be withdrawn from the open markets of the world, and absorbed as security for the paper circulation of the whole country. A considerable amount of notes will be kept in circulation in foreign countries. All notes will be of equal value in every part of our own country, for all will be guaranteed by the United States. The evils of inflation will be more readily guarded against, and by the exercise of the discretion of the Commissioners of the Currency, the banking capital of the country will be distributed so as to more fully meet the wants of the various sections than under the old system.

In every point of view the inauguration of the scheme of Secretary Chase affords ground for congratulation.

### THE CASE OF COL. BLEEKER.

Correspondence of the N. Y. Tribune.

WASHINGTON, Saturday, Feb. 22, 1862.

The truth of the charges which several months ago I preferred in *The Tribune* against Gen. Louis Bleeker, will, I have reason to believe, be abundantly proved by the testimony which has been taken before one of the Committees of the House. The general purport of these charges, it will be remembered, was that Gen. Bleeker had introduced into the division he commands a system of plundering the soldiers by means of illegal taxation such as is expressly prohibited by paragraph 31 of the Articles of War, and according to said paragraph to be punished by the discharge of the enlisted officer, and secondly, that Gen. Bleeker had commanded himself and made his division a nursery of German prates and brutes, essentially anti-Republican in their sentiments.

The object of publicly making these charges was to have, on their investigation by the proper tribunal, and on the substantiation of their truth, the German division relieved of its unworthy commander, an object which, I trust, will be satisfied without much further delay. The stories referred to are notorious in and outside of the division; they are literally and kindly complained of by all the soldiers and by the officers,

of the division, with the exception of a small number of Germans and staff officers personally interested and implicated in the money-making scheme and the plan of a military aristocracy. They have become bywords in every circle in the City of Washington where the German division is mentioned; they have been repeatedly exposed in *The Anglo-American*, and are constantly discussed in the German-American newspaper press, urging action so as to save the German division from the demoralization which most necessarily follows when honest soldiers and officers are persistently kept under the command of an unprincipled man.

How little the Congressional investigation and the pending verdict have affected Gen. Louis Bleeker may be perceived from the fact that but lately in this same instance out of an almost infinite number—the enrollment of one of the regiments of the division was actually given to the highest bidder at the price of \$600 per month, to be pocketed by two or three persons in officers' uniforms and from the editorial statements of the editor of the *New-York Democrat*, a highly respectable German Republican daily of the widest circulation, it appears that an officer of the 20th Regiment of the division raised the emblem of the Prussian monarchy—the black and white flag—over his tent; that at a grand dinner of the higher officers the King of Prussia is toasted and cheered; and that on this occasion the same officers sit still and mated leave their places untouched when the health of the President of the United States, their Commander-in-Chief, is proposed.

It is but a small number of officers who are Gen. Bleeker's associates in these schemes. In a public address, published in the *Democrat*, he boasted of the ability and the metallic system is equally fatal. Under the paper system the standard of value is unsettled by diminution, and there is an utter destruction of the most powerful element of confidence—confidence in money transactions. The metallic system is hostile to commerce by its intolerable inconveniences, and its constant tendency to accumulate wealth in the hands of a few—thus lessening the range of circulation, and drawing wealth into large masses. Paper and specie must circulate together, diffusing wealth without altering the standard of value.

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Gen. Bleeker, however, relying on the power conferred on a commander by the military law, has not seen it to stop us alone, which grow into more outrageous proportions with every succeeding day. On the contrary, emboldened by the perfect impunity so long enjoyed, and rendered by the voice of indignation ringing through the German press louder every day, he went to work to crush out of the division, by force, the growing sentiment. During the last fortnight, he has put under arrest four of the officers (among them the Lieutenant-Colonel, Chaplain, and senior Captain) of the only regiment (Col. Schimmeleing's) whose officers to a man refused to sign the address trying to shield Gen. Bleeker and his discredited financial system from investigation; besides these, he had at the same time a number of officers of various regiments arrested, among them Colonels, Lieutenants, and Captains. He went even so far in his illegal proceedings as to possess himself of the private papers of one of the Colonels arrested (Col. Utecy), who has lately been an intimate associate of Gen. Bleeker. It appears the two got into a quarrel, and the General found it advisable to confine the Colonel's correspondence and other papers.

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which I have always carried with me. Once in the Rocky Mountain I had only fifteen pounds of flour. We used to collect grasshoppers at 4 o'clock in the day, to catch trout for our supper at night. It was during the Mormon war, and we men desired to turn back. I was then searching for a route for the wagon road. "I will turn back if the Bible says so," said I, "and we will take it as an inspiration." I opened the book at the following passage:

"Go on, and search the mountain, and the gates of the city shall not be shut against you."

All concurred in the definite statement of the passage, and the sweepers once more led the men into the wild country of the Indians.

With all his confidence in wild Western troops, and certainly ours are of the wildest, I have several persons in officers' uniforms and from the editorial statements of the editor of the *New-York Tribune*, a highly respectable German Republican daily of the widest circulation, it appears that the German division is a nation; they are notorious in and outside of the division; they are literally and kindly complained of by all the soldiers and by the officers,

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Nearly all the carbines were lost, and the carbines, your mine, were never recovered. St. Louis, and there saw Gen. Fremont, who had been sent to New-York for his Department, and he had a number of carbines from Europe for him, including his carbines which he had brought with him from Europe.

As you know, Gen. Fremont offered a place on his staff to me, and I accepted it, and he returned to New-York, and he remained with the Department of the West until the 1st of September, when he received his orders from the War Department to proceed to the seat of war, and he had a number of carbines with him, and he had never given any compensation to the Government for doing this, and he has never received any compensation or pay as an officer of the army.

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